

French businessman and [economic theorist Jean-Baptiste Say](#) is credited with identifying the fundamental economic principle

English classical economist [David Ricardo](#), among others, more fully [developed this principle into what is known as Say's Law, which states that markets will clear](#)

This important corollary of Say's Law-- that markets clear-- is critical to understanding the moribund US

First, the Federal Reserve [increased the money supply](#) over the last few decades. Much of this newly created

At the same time, the Fed [systematically suppressed interest rates](#). This led to tremendous malinvestment both in

Congressional meddling in the mortgage market also added tremendously to the problem. Inane legislation

The ultimate result of these interventions by our caring friends in Congress and the Fed has been the big

The only solution to this mess is to allow the US housing market to clear. All of the bad mortgage debt must

Never in American history have we needed to adopt a policy of laissez faire more desperately; never has